Washington State Export Trends

Andrew J Cassey

School of Economic Sciences
Washington State University

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Why Listen to This Guy?

- Ph.D. 2008 University of Minnesota
- *Dissertation*: State Export Behavior & Policy
- Research interest: Regional development through exportation
  - Information barriers to trade
  - Costs to begin exporting
  - Export promotion policy
- Contact information
  - Cassey@wsu.edu
  - 509-335-8334
  - extecon.wsu.edu/pages/Regional_Economics
  - Pullman, WA
Washington Export Trends

- Document the changing trends in Washington exports
- Focus on biggest industries & also ag industries
- Put exports in the context of total shipments
- What does it mean for Washington to be most export-reliant state?
A Little About the Data

- State-level export **value** measured at the port of exit
- Reported either by product or by industry. I consider industry
- Inflation-adjusted values using producer prices
- Manufacturing only, but includes processed ag exports
- Mining & unprocessed ag not counted because consolidation of multiple states’ shipments at port
- Services not counted because they don’t exit at port
- Not easy (or possible?) to derive employment or value-added due to exports
### Destination Composition

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>17.40</td>
<td>16.5</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>China</td>
<td>11.68</td>
<td>11.1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Japan</td>
<td>11.59</td>
<td>11.0</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>UAE</td>
<td>5.35</td>
<td>5.1</td>
<td>4</td>
<td>8</td>
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<tr>
<td>Korea</td>
<td>3.96</td>
<td>3.4</td>
<td>5</td>
<td>5</td>
</tr>
</tbody>
</table>

- UAE and airplanes
- Dropped from rankings: Singapore (now 10th)
- New Free Trade Agreement with Korea
## Industrial Composition

Aerospace dominates WA exports, though down from 65%

- **Dropped:** Semiconductors & Elec. Comp. (now 6)
- **Computer equipment was 6th, now 10th**

<table>
<thead>
<tr>
<th>Industry</th>
<th>Real Ex</th>
<th>Share</th>
<th>Rank 2005–10</th>
<th>Rank 2002–07</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aerospace</td>
<td>62.92</td>
<td>59.7</td>
<td>1</td>
<td>1</td>
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<tr>
<td>Petro &amp; Coal Prds</td>
<td>4.53</td>
<td>4.3</td>
<td>2</td>
<td>3</td>
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<tr>
<td>Nav. &amp; Med. Inst.</td>
<td>3.71</td>
<td>3.5</td>
<td>3</td>
<td>2</td>
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<tr>
<td>Pulp, Paper Mill Prds</td>
<td>2.25</td>
<td>2.1</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Other Machinery</td>
<td>2.13</td>
<td>2.0</td>
<td>5</td>
<td>7</td>
</tr>
</tbody>
</table>

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WA Export Trends
Total Washington Real Exports

- Aerospace drives WA export trends
- 2010 WA exports up slightly, though aerospace down
Decline of computer equipment a long-term trend
What is going on with petroleum & coal products?
2010 shipments data not available yet

WA exports more of its shipments than any other state
Most firms export less than 15% of shipments

Exports increasingly important, but not all sectors
Increasing market diversity

Are gains in exports from more sales to old markets or entering new markets?
- Large increases over last decade for some industries
- Does WA produce Grain & Oilseed Millings Products?
Ag Exports as Percent of Ag Shipments

- Exports increasingly important, as with overall exports
- Fluctuations in dairy reflect overall industry turmoil
Number of Countries Importing Ag

- Increasing market diversity for all industries
- Nontariff barriers particularly important
- Online, filterable, Ag tariff database
Conclusion

- Exports trends useful for assessing market conditions
  - Small and medium sized businesses
  - Forecasting Washington economic health
  - Export promotion & collective reputation

- 10 year trend of increasing Washington exports
  - Applies more-or-less to most export industries
  - Applies to total, percent of shipments, and # of markets

- Aerospace dominates WA exports in all dimensions

- Important to monitor % of sales and # of markets, not just aggregate value

- Changing composition of countries
  - China increasingly important (no surprise)
  - Lumpy purchases of aerospace by countries
Export Assistance Program

Create a culture of exporting
- No cost, confidential, in-depth & long-term export advice
- Assessment of export readiness
- Co-development of export plan
- Guidance through export forms and barriers

Joint with SBDC, WSDA, WSU IMPACT Center, CERB
- Andrew Cassey, cassey@wsu.edu
- Yunfei Zhao, yunfei.zhao@email.wsu.edu

Material and publications
- Trends in Washington State Exports Vol 4
- A Primer on Exchange Rates
- Quickstart Guide to Agricultural Exporting
- Online, filterable tariff database (forthcoming)